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DE RUEHAA #1067/01 2761140

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P 031140Z OCT 07

FM AMEMBASSY ASHGABAT

TO RUEHC/SECSTATE WASHDC PRIORITY 9483

INFO RUCNCLS/ALL SOUTH AND CENTRAL ASIA COLLECTIVE PRIORITY

RUCNCIS/CIS COLLECTIVE PRIORITY

RUCNMEM/EU MEMBER STATES COLLECTIVE PRIORITY

RUEHAK/AMEMBASSY ANKARA PRIORITY 2832

RUEHBJ/AMEMBASSY BEIJING PRIORITY 0653

RUEHKO/AMEMBASSY TOKYO PRIORITY 0529

RUEHIT/AMCONSUL ISTANBUL PRIORITY 1105

RHMFISS/CDR USCENTCOM MACDILL AFB FL PRIORITY

RUEAIIA/CIA WASHDC PRIORITY

RUCPDOC/DEPT OF COMMERCE WASHDC PRIORITY

RHEBAAA/DEPT OF ENERGY WASHDC PRIORITY

RUEATRS/DEPT OF TREASURY WASHDC PRIORITY

RHEFDIA/DIA WASHDC PRIORITY

RUEKJCS/Joint STAFF WASHDC PRIORITY

RHEHNSC/NSC WASHDC PRIORITY

RUEKJCS/SECDEF WASHINGTON DC PRIORITY

C O N F I D E N T I A L SECTION 01 OF 02 ASHGABAT 001067

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STATE FOR SCA/CEN, EEB

PLEASE PASS USTDA DAN STEIN

E.O. 12958: DECL: 10/03/2017

TAGS: [PGOV](#) [PREL](#) [EPET](#) [EINV](#) [ASEC](#) [TX](#)

SUBJECT: TURKMENISTAN: CHEVRON PLANS TO OPEN OFFICE, HOPES  
FOR OFF-SHORE AND AMU DARYA DRILLING

REF: A. ASHGABAT 1066

[¶](#)B. ASHGABAT 997

Classified By: CHARGE RICHARD E. HOAGLAND FOR REASONS 1.4 (B) AND (D).

[¶](#)1. (C) SUMMARY: According to two Chevron security officers, the oil company plans to open an office in Ashgabat in November or December, with an expatriate staff of four or five persons. Chevron is yet to name a country director. The company has proposals to work two sectors of Serdar off-shore and a section of the Amu Darya on-shore. The Chevron officials said they are most optimistic about the Amu Darya proposal and believe Chevron has a comparative technological edge over its competitors. END SUMMARY.

[¶](#)2. (C) Two security officers from Chevron, in Ashgabat to prepare to open an office in Turkmenistan, met October 2 with RSO and Emboffs. They plan initially to staff the office with four or five expats but have yet to name their country manager. There are no plans to send a security officer permanently to Turkmenistan. The security officers promised to let the Embassy know when a location has been found and a country director named. (COMMENT: MFA told Charge that Chevron's offices would be in a hotel in the southern part of town. It's likely that the government offered the venue, but the oil company has made no decision yet. END COMMENT.) Current thinking is to send dependents of office staff, but the Chevron officials said the determining factor would be the availability of emergency medical evacuation services and the state of health care facilities. (NOTE: Earlier in the day, Ashgabat International School director told DCM that he had been visited by the Chevron officials, who inquired about dependent education. He told them that the school could accommodate another four or five students, but an additional 15 or so would be out of the question, at least in the near term. END NOTE.)

[¶](#)3. (C) The Chevron officials told Emboffs that Chevron's proposals to the government included working two blocks in the Serdar field off-shore and a joint venture with a Turkmen

state energy partner to develop further the Amu Darya basin on-shore. They said that the Serdar blocks were close to the disputed area, and for that reason, they were not certain that they would get approval to work in the Caspian. They expressed greater optimism about the Amu Darya proposal. They did not rule out also establishing an office in Turkmenabat, closer to the Amu Darya, given the distance from Ashgabat.

¶4. (C) According to the Chevron officials, a company executive had recently had a very successful, high-level visit to Turkey, Kazakhstan, and Azerbaijan. They noted talks with Nazarbayev had gone particularly well. They hoped that the positive tone from that visit would extend here as the companies' proposals are being considered. They were also encouraged by talks in April between the company's visiting Moscow office head and Turkmenistan officials. The Chevron officials said their company has a real comparative edge with technology, especially in the area of deep-water drilling.

¶5. (C) COMMENT: While many U.S. hydrocarbon and service companies currently are looking for investment opportunities in Turkmenistan, Chevron -- which started making contact last April and which, according to the Executive Director of Turkmenistan's State Agency for Management and Use of Hydrocarbon Resources, Bayrammurat Muradov, is willing to consider some unconventional (for Turkmenistan) arrangements for joint operations (reftel A) -- is ahead of most of the rest of the pack. Other companies, most of whom seem to be tendering bids for production sharing agreements, may well follow if their bids are accepted. END COMMENT.

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HOAGLAND